



MANUFACTURING INDUSTRIAL COUNCIL

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COUNCILMEMBER JEAN GODDEN June 8, 2006

The Honorable Greg Nickels, Mayor
City of Seattle
P.O. Box 94794-4749
Seattle, WA 98124-4025

Dear Mayor Nickels:

The Manufacturing Industrial Council Executive Committee voted at its May 23 meeting to support a 10% - 12% reduction in City Light rates.

The MIC supported a similar rate cut last year after participating in the public workshops held by the utility. We believed then that City Light's financial condition was such that a 10% - 12% reduction was supportable. Over the past year the utility's financial condition has strengthened considerably, thereby strengthening the case for rate relief.

The rate increases of 2001 and 2002 were presented to Seattle citizens as temporary surcharges intended to get the utility through the west-coast power crisis. Since that time ratepayers have contributed more than \$900 million in surcharges. That contribution, along with the conservative financial policies adopted last year has allowed the utility to reduce its debt by more than \$600 million, accumulate an unrestricted cash balance of approximately \$170 million and establish a \$25 million contingency reserve for low water years. In short, City Light's financial condition is solid and it is time to deliver the rate relief long promised to Seattle ratepayers.

The Manufacturing Industrial Council looks forward to working with you and the council as City Light rates are reviewed and a new rate schedule is adopted.

Sincerely,

Dave Gering, Executive Director
Manufacturing Industrial Council